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**Service
Credit**
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*California
Public
Employees'
Retirement
System*



What Is “Service Credit”?

“Service credit” is earned by CalPERS members during compensated periods of employment with a CalPERS-covered employer. It is one of three factors used to determine the amount of your retirement allowance. The other two factors are your age at retirement and your highest average compensation for any one- or three-year period (depending on your employer’s contract).



Service credit for retirement purposes may differ from the service credit used by your employer for vacations and seniority purposes (consult your employer for those guidelines). Your record of your total service credit, as of June 30 of every year, is provided to you in your CalPERS Annual Member Statement.

Canyon Live Oak
Quercus chrysolepis
The Canyon Live Oak, with its shiny green leaves, is considered by many to be California’s most beautiful oak tree. Historically, the oak’s heavy, hard wood was used locally for farm tools, wagon wheels, and axles.

You may be eligible to “buy back” additional service credit that you are entitled to under the law. In most cases, you must pay for additional service credit. While this would increase your total years of service

credit, the increase to your retirement allowance may be minimal and may not be advantageous when weighed against your cost. However, only you can make this determination.

Although you can ask to “buy back” additional service credit at any time, **all requests to “buy back” additional service credit must be received by CalPERS prior to your effective date of retirement.**

How Service Credit Is Accumulated

A full year (1.000) of service credit is earned for any of the following periods of CalPERS-covered employment:

- **Monthly Pay Basis:** 10 or more months of full-time employment during a fiscal year (July 1 through June 30) equals a full year of service credit. Service is credited at the rate of .100 year for each month of full-time employment. If you work half-time, you would receive .050 year of service credit ($\frac{1}{2}$ of .100) per month. For 12 full months of half-time work, your total credit would be .600 of a year ($12 \times .050$ or 6 months).
- **Daily Pay Basis:** 215 days or more of full-time work during a fiscal year equals a full year of service credit. If you work less than 215 days, your service credit would be equal to the total days worked divided by 215. For example, 175 days divided by 215 = .814 year of service credit.

- **Hourly Pay Basis:** 1,720 hours or more of work during a fiscal year equals one year of service credit. If you work less than 1,720 hours, your service credit would be equal to the total hours worked divided by 1,720. For example, 1,200 hours divided by 1,720 = .698 year of service credit.

Types Of Additional Service Credit

Redeposit Of Withdrawn Contributions

If you left CalPERS-covered employment in the past and withdrew your CalPERS account (accumulated contributions and interest), you relinquished all CalPERS service credit at that time. If you pay back or “redeposit” these contributions, with interest, to CalPERS, you can restore this service credit in full. You may redeposit under any of the following conditions:

- you returned to CalPERS-covered employment and are now a member; or,
- you have not returned to CalPERS-covered employment, but you are a member because you have contributions on deposit; or,
- you are now a member of the State Teachers’ Retirement System, University Of California Retirement System, Legislators’ Retirement System, Judges’ Retirement System, or a California public retirement system which has “reciprocity” with CalPERS.

If you withdrew your CalPERS contributions for one or more membership periods in one withdrawal, your repayment election will apply to the entire amount of that withdrawal, plus interest.

If you withdrew your CalPERS contributions for different periods in different withdrawals, you may elect one redeposit to cover all the withdrawals, or you may make separate redeposit elections. Multiple redeposits must be made in reverse chronological order (most recent withdrawal first, oldest last).

Service Prior To Membership

If you are currently a CalPERS member, the following employment periods may qualify as “service prior to membership.” You would be required to pay the appropriate member contributions, plus interest, for the periods since you became a member.

For example, you may receive service credit for:

- a waiting period you were required to work before you could become a member of CalPERS (i.e.; six months, or a partial month for those hired prior to October 1963, work time accumulated to meet the 1,000 hour requirement to become a CalPERS member, etc.); or,
- a period prior to becoming a CalPERS member during which you were not eligible for membership because you worked less than halftime; or,
- a period prior to becoming a CalPERS member during which you were not eligible for membership because your work was temporary or seasonal.

Military Service

The time you spent in the military may qualify for service credit. The maximum service credit allowed is four years.

You may qualify if:

- you were a member of CalPERS, granted a military leave of absence, entered military active duty within 90 days of leaving employment, and returned to your position within six months after your discharge date. This may qualify you for service credit which is totally paid for by your employer; or,
- your return was over six months after your discharge date, you may be eligible to receive service credit by electing to pay for the service; or,
- your military service does not meet either of the conditions above, you may still be eligible if:



Valley Oak

Quercus lobata

Also known as the California White Oak, this handsome and graceful shade tree is seen throughout California's valleys. Its abundant acorn crops were eaten by the California Indians, who roasted or ground the edible portions to make mush or bread.

1. your military service was prior to your CalPERS membership; and,
2. you are now employed by, or retired from, a State, or school employer, or,
3. you are now employed by, or retired from, a contracting public agency which has specifically included the military service credit provision in its CalPERS contract.

Leave Of Absence

The time spent while on a leave of absence may qualify for CalPERS service credit. In all cases you must return from the leave of absence to CalPERS-covered employment or go directly into retirement.

Types of leaves of absence covered are:

- **Temporary Disability** – Time spent on temporary absence when you received payments because of job-related illness or injury during CalPERS-covered employment.
- **Educational** – Time spent on an approved educational leave from State or university employment (maximum service credit allowed is two years).
- **Sabbatical** – Partially-compensated leave of absence from CalPERS-covered employment (you must return from the leave to your previous employer).
- **Service** – Approved leaves of up to two years for service to a university or college, a local, State, federal, or foreign governmental agency or a nonprofit organization (you must return to your previous employer within the terms and conditions under which the leave was granted).

- **Maternity/Paternity** – Time spent on an approved maternity or paternity leave of absence, for up to one year. Employees must return to work for a period of time at least equal to the length of the leave.

Other Additional Service Credit

You may be eligible to receive service credit for the following:

- **UC Academic Service** – Academic service with the University Of California before 1963 which is not credited with the University Of California Retirement System.
- **War Relocation Leave (between 1942 and 1947)** – For members of Japanese ancestry who, prior to March 1942, were employed by the State, a school, or a public agency (if the agency contracts for War Relocation Leave credit).
- **Layoff** – Periods of layoff from employment after January 1, 1984; applies to employees of public agencies which have contracted to provide this benefit (maximum service allowed is one year).
- **CETA** – Service rendered after July 1, 1979, and prior to CalPERS membership in the Comprehensive Employment and Training Program.
- **Optional Member** – Period(s) of employment in an optional member position for which you did not elect CalPERS membership.

Prior Service

“Prior service” refers to the time you were employed by the State, a school district, or a public agency before that employer provided retirement coverage under CalPERS.

If you qualify for prior service credit, the employer you worked for during that period will pay the entire cost. However, if your employer provided a different retirement plan for you, prior to its contract with CalPERS, you may be required to contribute for such service.

You may be eligible for “prior service” credit if:

- you worked for the State before January 1, 1932, the University Of California before August 27, 1937, or a school district before it came under CalPERS coverage; or,
- you worked for a public agency prior to its contract date with CalPERS, if the agency’s contract provides for crediting such prior service.

Note – some contracts will: a) exclude certain groups of employees; b) require that you be employed on the contract date; c) provide the employee the opportunity to purchase prior service credit that the agency did not provide for in its contract; etc.; or,

- you were part of a group of employees previously excluded from CalPERS membership, by the employer’s contract, if the employer removes the exclusion from its CalPERS contract.

It is important to remember that you may be eligible to receive CalPERS service credit for these various types of service, only if you **DO NOT** receive credit for this time in any other retirement system supported, wholly or in part, by public funds.

If you have any questions or need further information about CalPERS service credit, please contact your nearest CalPERS Regional Office or:

CalPERS Member Services Division
Service Credit Section
P.O. Box 942704
Sacramento, CA 94229-2704
(916) 326-3141



California Black Oak
Quercus kelloggii

The large, deeply lobed leaves of this oak are often a favorite food for deer. This common, slow-growing, long-living oak is a popular, hardy shade tree in dry soils. Woodpeckers drill holes in the bark of the Black Oak to bury acorns, safe from squirrels, for future dining.

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Requesting Additional Service Credit Information

1. To obtain cost information, (to “buy back” additional service credit) please complete and return the attached form to the CalPERS Member Services Division – Service Credit Section. All requests for service credit cost information must be received by CalPERS prior to your retirement date (except for military service credit requests that are applicable to retirees only).
2. The response prepared by CalPERS will include:
 - the amount of eligible service credit to be purchased;
 - the lump-sum payment cost or an alternative installment plan, including interest through the date of completion of payment;
 - an election form.

While reading this material, remember that we are governed by the California Public Employees’ Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

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How Did You Like This Brochure

If you would like to share your opinion of this brochure, please send us your ideas. Your constructive comments can help us make this brochure even better. Please answer the questions below and mail this page to the following address:

California Public Employees’ Retirement System
Office of Public Affairs
P.O. Box 1802, Sacramento, CA 95812-1802

1. This brochure is designed to provide an overview on reaching CalPERS. Did you get useful information from reading this brochure?
☐Yes ☐No If no, what do you find lacking?

2. Did you have questions after reading any sections?
☐Yes ☐No If yes, in what sections do you have questions, and what are your questions?

3. Did you find any sections particularly helpful?
☐Yes ☐No If yes, which sections?

4. Did you find yourself wanting additional information?
☐Yes ☐No If yes, what?

5. If you have other comments, please share them below.





Request For CalPERS Service Credit Cost Information

Please complete and return this document to the address shown below.

Name: _____

Social Security Number: _____

Current Employer: _____

Daytime Telephone #: _____

Mailing Address: _____

Any Previous Names Used: _____

Type(s) Of CalPERS Service Credit
Requested (i.e., Redeposit, Military, etc.)

Dates Involved

Names Of Employers

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please provide your effective date of retirement if you are in the process of retiring or if you plan on retiring in the near future. Retirement date _____ .

Signature: _____

Date: _____

Return to:

**California Public Employees'
Retirement System
Member Services Division – Service Credit Section
P.O. Box 942704
Sacramento, CA 94229-2704
(916) 326-3141
(916) 558-4019 (FAX)**



California Public Employees'

Retirement System

400 P Street

Sacramento • CA 95814

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